



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0581	<b>Title:</b>	Use portion of combative event gross receipt tax to promote amateur boxing
<b>Primary Sponsor:</b>	Caferro, Mary	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
State Special Revenue	\$3,989	\$2,834	\$2,834	\$2,834
<b>Revenue:</b>				
State Special Revenue	\$3,989	\$2,834	\$2,834	\$2,834
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact:

The fiscal impact of HB 581 is associated with costs for creating and adopting rules. The increased revenue realized as a result of increasing the tax on ticket sales is negated by the increase in expenditures for grants to amateur boxing organizations on a one to one basis.

### FISCAL ANALYSIS

#### Assumptions:

1. In FY 2008, total gate receipt for combative events was \$283,440. The department collected 5% tax on the gross receipts of tickets sales for a total of \$14,172. HB 581 increases the tax from 5% to 6% which would bring the total collected by the department to \$17,006 for an increase in revenue of \$2,834 per year.
2. HB 581 requires the department to use one sixth or 16.67% of the total revenue collected to promote amateur boxing within the state for an increase in expenditures for grants of \$2,834 per year.
3. Awarding grants to boxing organizations would require separate accounting to ensure the funds are awarded and spent appropriately.
4. The department will need to adopt rules. There would be 5 rule proposal pages and 5 rule adoption pages at \$50 each for a total cost of \$500 in FY 2010.
5. It will take three hours of attorney time to draft and prepare the rule proposal and adoption notice at \$95 per hour for a total of \$285 in FY 2010.

6. There will be a 2 hour rule hearing. The court reporter would cost \$200 (\$100 per hour x 2 hours) and the hearing examiner would cost \$170 (\$85 per hour x 2 hours) for a total cost of \$370 in FY 2010.
7. The increase cost of \$1,155 in FY 2010 will be offset with higher license fees as provided in 23-3-501, MCA.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$1,155	\$0	\$0	\$0
Grants to Boxing Orgs	\$2,834	\$2,834	\$2,834	\$2,834
<b>TOTAL Expenditures</b>	<u><u>\$3,989</u></u>	<u><u>\$2,834</u></u>	<u><u>\$2,834</u></u>	<u><u>\$2,834</u></u>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$3,989	\$2,834	\$2,834	\$2,834
<b>TOTAL Funding of Exp.</b>	<u><u>\$3,989</u></u>	<u><u>\$2,834</u></u>	<u><u>\$2,834</u></u>	<u><u>\$2,834</u></u>
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$3,989	\$2,834	\$2,834	\$2,834
<b>TOTAL Revenues</b>	<u><u>\$3,989</u></u>	<u><u>\$2,834</u></u>	<u><u>\$2,834</u></u>	<u><u>\$2,834</u></u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. 23-3-601, MCA, affected in this bill is repealed by HB 171.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*